

March 2, 2004

Mr. Don Gage, Chairman
Board of Directors
Santa Clara County Valley Transportation Authority
3331 North First Street, Building B-2
San Jose, CA 95134

Dear Chairman Gage and members of the board,

Thank you for your leadership in this time of organizational and financial crisis.

This letter focuses on the VTP 2030 project priorities that we must soon submit to Metropolitan Transportation Commission, and particularly on transit project priorities. The portfolio of projects we choose will help determine the shape of the valley's fifteen cities for the next quarter century. Our taxpayers and constituents are counting on our leadership to provide an intelligently designed, cost-effective, time-efficient, and flexible system for the changing economy and society.

Given that the priorities should be based on demographic travel forecasts, we are concerned about the staff recommendations issued for the February 27, 2004 Board Workshop. Until 2030, the only projects proposed to be funded are the Downtown East Valley, BART and operating assistance. Most of the other Measure A projects are delayed until beyond 2030. If bonding costs are included or if more conservative revenue or cost projections are used, these Measure A projects could fall off the list entirely. Caltrain electrification and new corridors are not included at all. Yet, the VTP 2020 travel forecasts showed the largest increase in travel demand in the northwest area of the county.

We respectfully request the Board allocate funding within the 25-year VTP 2030 plan for projects that are important to supporting the needs of our area:

- Bus Rapid Transit (\$33M)
- Caltrain Service Upgrades (\$155M)
- Dumbarton Rail (\$44M)
- Caltrain electrification (\$233M)
- Palo Alto Intermodal Center (\$50)

These total \$505 million or approximately one-eighth of the Measure A revenue projection for the next 25 years. We also request a reasonable fraction be implemented within the expenditure plan for the next ten years.

Next, as the criteria for ranking VTA projects was developed in 2001, and our financial outlook has changed dramatically since then, we recommend that:

- 1) Criteria be developed which measures cost-effectiveness of each project under consideration (e.g. cost/rider vs. increasing ridership regardless of cost).

2) That the VTA assign more than 5 points, out of 100 points, to reasonable assurance of funding.

We realize that by revising the criteria, project rankings may change. However, if we expect to go to our taxpayers with another tax measure, we believe it vital to be forthright about the true range of options, trade-offs and risks.

In sum, VTP2030 is not a routine update of the last plan. Measure A was supported county-wide because it promised many projects including BART, clean-air buses, light rail, expansion and electrification of Caltrain and other projects.

The VTA still faces a fiscal crisis, even with reduced operations. Compounding this issue is an uncertain future for federal and state funding for maintenance and capital improvements. We need to look at the painful facts candidly, and make new choices in this constrained environment. Although we expect the economy to improve in time, our transportation system must be trim, flexible, and smart to ensure success for the entire County through future business cycles to come.

We look forward to a constructive dialogue.

Sincerely yours,

Transit Project Prioritization Criteria

Potential Prioritization Criteria:

The following potential criteria could be used for defining the timing of individual transit projects. The use of criteria may vary from project to project and not all criteria are applicable for every project. Further description of each criterion is also provided.

Evaluation Criterion	Potential Weighting
Congestion Relief/Ridership	25
Customer/Operational Benefits	15
Land Use	15
Environmental Equity	10
Socio-Economic Equity	10
Geographic Equity	10
Program Efficiency/Project Readiness	10
Funding	5
TOTAL = 100	

Congestion Relief/Ridership (25 points)

- Congestion Relief – Peak trips removed from roadway system; also assesses travel-time savings and whether the project serves high commute and/or highly congested corridors.
- Ridership – Additional transit riders expected to be added to current ridership, typically expressed in number of new riders as well as total transit riders in the corridor. The existing transit market (number of current transit riders in the corridor) is also a consideration.

VTP 2030 MEASURE A TRANSIT PROGRAM

	T2030 Period (2005 - 2030)	Add'l VTP 2030 Period (2030 -2036)	Total
Base Measure A Fund Estimate	\$4,232	\$1,199	\$5,431
<u>Existing Commitments</u>			
(1) LRV Bond Payments	-\$191	\$0	-\$191
(2) 2003 Bond Payments	-\$435	-\$63	-\$498
(3) 2003 Bond Proceeds	\$275	\$0	\$275
2000 Measure A Projects	\$3,881	\$1,136	\$5,017

Project Name	Total Estimated Cost (\$ Millions)	VTP 2020 Measure A Allocation (\$ Millions)	Cumulative Meas A Total (\$ Millions)
(4) Operating Assistance 2006 - 2030	\$781	\$781	\$781
(5) Downtown East Valley (DTEV)	\$550	\$550	\$1,331
(6) BART to Milpitas, San Jose and Santa Clara	\$4,112	\$2,453	\$3,784
25-YEAR (MTCT 2030 Plan) PROPOSED ALLOCATION above the line: \$97M available for the projects below			
(7) Bus Rapid Transit (Line 22, Monterey, Stevens Creek)	\$50	\$33	\$3,817
(8) Caltrain Service Upgrades (VTA Share)	\$171	\$155	\$3,972
(9) Zero Emission Buses and Facilities	\$277	\$277	\$4,249
(10) Mineta San Jose International Airport APM Connector	\$400	\$222	\$4,471
(11) Caltrain - South County	\$100	\$61	\$4,532
(12) Highway 17 Bus Service Improvements	\$2	\$2	\$4,534
(13) Dumbarton Rail	\$278	\$44	\$4,578
(14) Palo Alto Intermodal Center	\$200	\$50	\$4,628
(15) ACE Upgrade	\$22	\$22	\$4,650
(4) Operating Assistance 2031 - 2036	\$222	\$222	\$4,872
50-YEAR (Measure A) PROPOSED ALLOCATION above the line: \$145M available for the projects below			
(16) New Rail Corridors (Other Corridors)	\$1,220	\$776	\$5,426
(17) Caltrain Electrification	\$650	\$233	\$5,659

Notes: Projects ranked using prioritization criteria, approved by the Board June 2001.

The available Measure A revenues do not assume any additional bonding for operations, design or construction.

- (1) Bonds issued in 2001 against 2000 Measure A for purchase of low-floor LRV vehicles
- (2) Bonds to be issued in 2003 for Operating Assistance, BART Right-of-Way and BART/DTEV Preliminary Engineering
- (3) Projected proceeds from 2003 bonds sold for the BART and DTEV projects
- (4) Remaining 2000 Measure A funds dedicated to future transit operations get 18.45% of Measure A revenues
- (5) DTEV includes Enhanced Bus or LRT in the Santa Clara Alum Rock Corridor plus LRT on Capitol Expressway to Eastridge with an extension to Nieman Boulevard. A specific strategy to be developed as EIS and PE are completed on both portions.
- (6) Measure A need for BART project is net of \$649 M in TCRP funds, \$834 Federal New Starts, \$107 Prop. 42 STIP and \$69M in other funds. Does not assume additional bonding for construction.
- (7) Measure A need for Rapid Bus is net of TFCA 40% and Federal Earmarks
- (8) Caltrain Service upgrades include track and facility improvements and additional service
- (9) Short-range Transit Plan (SRTP) assumes 15% Zero Emission Buses (ZEBs)
- (10) City is contributing capital funding to the Airport Connector and will be responsible for operations
- (11) Caltrain upgrades in South County include double-tracking and station improvements
- (12) Funds increase service frequency in Hwy 17 Service
- (13) Dumbarton Rail project is dependent on passage of Regional Measure 2 (RM 2) in 2004
- (14) Palo Alto Intermodal Transit Center requires additional funds not identified at this time
- (15) Measure A funds VTA's support of ACE Service
- (16) New rail corridors to be considered include DTEV Eastridge Area to Hwy 87, extension to Coyote Valley, and others
- (17) Caltrain electrification does not have fund sources identified to fully fund the project